

Press Enterprise

March 10, 2007

Economist says Inland region will add jobs despite housing woes

By JOSH BROWN

Despite the housing slowdown, the Inland economy will continue to add jobs at a healthy pace this year, a regional economist predicted Friday.

Regional business experts and economists were gathered in Ontario at a Southern California Association of Government conference.

Lisa Grobar, an economist at Cal State Long Beach, said the Inland job growth rate slowed more than any place else in Southern California.

"Four percent is tremendous growth by any other standard but not for the Inland Empire," Grobar said of 2006's job growth. For 2004 and 2005, job growth averaged 5 to 6 percent.

Last week, the California Employment Development Department announced the Inland region added 49,200 jobs last year. Growth in both the Inland region and Orange County slowed last year, while in Los Angeles and Ventura counties jobs grew faster.

Grobar said the Inland region is likely to see 3 percent to 3.5 percent job growth in 2007.

"We will still end up predicting lower than average growth for the IE because of the housing slowdown," she said. "The big question going forward is how this cycle is going to end up."

Grobar said the housing market could remain sluggish for the next several years, but the region's strong job growth could mean its economy would rebound quicker from the housing slump, she added.

Factors that could hinder such a rebound include affordability problems in the Inland housing sector and the uncertain housing market nationally, she said.

Other factors could also contribute to slower job growth. Low unemployment in the region means fewer workers to fill open jobs.

Another problem is the lack of skilled workers in the area, economists and business leaders said.

State Sen. Tom Torlakson, D-Antioch, said the state's education systems need to pay more attention to the development of technical skills, rather than pushing all students to go to universities.

"This is a good and worthy goal, but is it the only path we should lay out? I think not," he said.